GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4268
ANSWERED ON:15.12.2000
STATES FACING DEBT TRAP
A. VENKATESH NAIK;ASHOK NAMDEORAO MOHOL

Will the Minister of FINANCE be pleased to state:

(a) the States which are reeling under the debt-trap;

(b) the debt amount on these States, State-wise as on date;

(b) the reasons for facing such problem by the State Governments; and

(c) the kind of help Union Government propose to provide to State Governments to get rid of debt-trap?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a)to(b): The Eleventh Finance Commission as per its terms of reference was required to make an assessment of the debt position of the States as on 31.3.1999 and suggest such corrective measures as are deemed necessary, keeping in view the long term sustainability for both the Centre and the States. A statement showing State-wise composition of debt as on 31.3.2000 and debt as percentage of GSDP is enclosed.

(c) Financing of persistent mismatch between receipts and expenditures of the State Governments, through borrowed funds has led to accumulation of debt.

(d) The Eleventh Finance Commission has recommended continuation of the existing debt relief scheme recommended by Tenth Finance Commission, linked to improvement in the ratio of revenue receipts of a State to its total revenue expenditure, with enhanced incentive. Besides the Commission has also recommended a moratorium on the payment of installments of debt and interest on the special loans given to Punjab during 1984-94 for combating insurgency and militancy due for repayment from the State of Punjab during the period 2000-05. The commission has further recommended debt relief to Punjab and Jammu & Kashmir on the basis of specified expenditure incurred on security. The Government of India have accepted the recommendations of the Finance Commission.

STATEMENT

Statement referred to in parts (a) & (b) of Lok Sabha Unstarred Question No.4268 for 15.12.2000

State Debt of States as on March 31, 2000 in Rs. crores

	L O A N S F R O M Centre etc.	Market	W & M Banks RBI	Adv. From	Provident etc.	Reserve Funds Deposits	Total Funds &	Debt	Debt as % age of GSDP
Andhra Pradesh	16057	7037		1721	220	2857	4587	32479	20.95
Arunachal Prad	409		58	220	0	193	16	896	48.00
Assam	4591	1888	220		85	1082	689	8555	24.12
Bihar	16018		6185	168	0	7903	1782	32056	35.31
Goa	1242		253	119	0	339	187	2140	34.54
Gujarat	16410		3007	853	0	2404	6130	28804	18.95
Haryana	6130		1462	561	18	3288	739	12198	22.58
Himachal Prad	3141		613	530	853	1793	768	7698	58.59
J & Kashmir	3630		665	328	1108	1329	30	7090	47.15
Karnataka	10751		3641	832	0	3644	3198	22066	18.94
Kerala	6556		3929	1221	124	6584	1778	20192	28.16
Madhya Pradesh	10990		4017		774	193	6423	2591	24988	19.17
Maharashtra	27333		4442	1153	0	4561	14067	51556	13.92

Manipur	406	224	158	411	280	160	1639	46.80	
Meghalaya	358	309	108	0	148	208	1131	26.71	
Mizoram	355	124	164	83	269	102	1097	59.76	
Nagaland	352	464	185	169	380	6	1556	50.36	
Orissa	8224	4189	549	304	4721	1504	19491	39.95	
Punjab	14488	2049	1683	1006	4574	801	24601	34.89	
Rajasthan	12222	5019	1777	885	6517	3139	29559	31.95	
Sikkim	221	186	69	0	155	10	641	71.24	
Tamil Nadu	12377	4777	1189	0	4267	3718	26328	16.77	
Tripura	657	331	179	0	541	51	1759	40.25	
Uttar Pradesh	35226	11872	1205	570	8636	14423	71932	29.28	
West Bengal	28552	4979	1328	0	2972	5394	43225	30.44	
Total	236696	71720	17294	6029	75860	66078	473677	24.33	

Source: Report of Eleventh Finance Commission for 2000-05.